

CITY COUNCIL MEETING  
March 23, 1993

OCTEL SERVICE AGREEMENT

CC-90

Administrative Assistant to the City Manager Keeter presented the following report.

The City's OCTEL voice processing system has been under a one year manufacturer's warranty and is now due for a maintenance agreement. OCTEL Communications Corporation has submitted a proposal in the amount of \$9,990 per year to maintain the City's system. Should the City elect to sign a four-year contract with OCTEL, the annual cost drops to \$8,910, a 10% savings. Although the City benefits from a four-year contract price, the City may terminate the contract with 30 days notice and will not be required to reimburse the 10% savings.

It is prudent that the City keep the voice processing system on a maintenance agreement because of the number of subscribers and voicemail applications on-line (i.e., Parks and Recreation, Police, Municipal Courts, ...). The County has agreed to pay their fair share of the cost which will be approximately \$453 per year.

Three other OCTEL certified vendors have been contacted for submittal of service agreement proposals. GTE and 3-D Communications have both stated that a four-hour response time required by the City is not feasible from their locations in Pleasanton and Novato. NEC is certified to service OCTEL systems, however, they will only service those systems which are integrated with an NEC PBX. The City's PBX is a Meridian Northern Telecomm which NEC will not service.

Having received negative or unenthusiastic responses from three other vendors, staff feels comfortable in making this recommendation.

Vendors contacted by telephone for proposals:

1. GTE
2. NEC
3. 3-D Communications
4. OCTEL

Only one favorable response received from OCTEL.

GTE and 3-D Communications were not interested in responding to Lodi from the Bay Area with a four-hour response time.

NEC services OCTEL systems in conjunction with PBX switches. They do not service the type of switches which Lodi owns - Northern Telecommunications Meridian switches.

CITY COUNCIL MEETING  
March 23, 1993

Proposal Number One - Standard Service Program (SSP)

OCTEL will maintain the City of Lodi's voice processing system for \$9,900 (or \$8,910 if a four-year contract is signed which can be terminated without penalty) which would include the following on a Standard Service Program (SSP).

- ° On-site service coverage from 8:00 a.m. - 6:00 p.m. weekdays
- ° On-site response time of four hours if on-site required
- ° 24-hour problem reporting through OCTEL's Response Center
- ° Factory spare parts bank
- ° Labor and replacement parts
- ° Remote diagnostics
- ° Semi-annual performance checks
- ° Software updates
- ° "Preferred Customer Rate" for all billable services
- ° Disaster Recovery Replacement Plan

In addition, the following incentives will be available to the City if a maintenance contract is signed with OCTEL prior to May 1, 1993:

- ° No charge one-day system manager refresher training class valued at \$750.00
- ° No charge site and security audit valued at \$500.00
- ° New end-user training video at no charge

Proposal Number Two - Customer Participation Program (CPP)

OCTEL will maintain the City of Lodi's voice processing system for \$6,930 (or \$6,237 if a four-year contract is signed which can be terminated without penalty) which would include the following on a Customer Participation Plan (CPP)\*:

- ° On-site service coverage from 8:00 a.m. - 6:00 p.m. weekdays at \$125.00/hour with a two-hour minimum
- ° On-site response time within 24 hours of problem report
- ° Twenty-four hour problem reporting through the Response Center
- ° Factory spare parts bank

CITY COUNCIL MEETING  
March 23, 1993

- ° Replacement parts supplied at no charge
- ° Remote diagnostics
- ° Software updates
- ° "Preferred Customer Rate" for all billable services
- ° Disaster Recovery Replacement Plan

The above mentioned incentives are also available to the City if a contract is signed prior to May 1, 1993.

\*The CPP is designed for customers with OCTEL-certified technical personnel who desire to perform their own maintenance. The City of Lodi has a Program Manager who is not a certified technician. To become certified, a staff member would need to attend a week-long course at the OCTEL campus in Milpitas. Tuition is \$1,750 for the course. Accommodations and meals would total approximately \$440 for the week with a total expense of approximately \$2,190 to train someone on staff to be a certified technician. OCTEL also offers a "Troubleshooting" course for \$1,600.

The CPP for the first year would be \$6,237 for the contract plus approximately \$2,190 for training for an estimated total cost of \$8,427.

The CPP will be approximately \$483 less than the SSP, and the City will then have a certified technician on staff.

There are a few drawbacks to the CPP:

- ° 24-hour response time should the City need OCTEL to service the system, not a four-hour response time
- ° The CPP does not include labor as a no cost item, rather it is billable at \$125 per hour with a two-hour minimum. Two call-outs for on-site response would pay for the \$483 difference between the two programs
- ° OCTEL recommends that the candidate to become a certified technician have a strong computer background and be knowledgeable in the telephone system. City does not have such a candidate on staff.

Note:

The City of Roseville has the SSP and the City of Pleasanton has the CPP. The certified technician at Pleasanton stated that they have been very fortunate so far and have not encountered any system failures. The technician stated that the one week certification course was informative; however, unless you work on the systems all the time, it is information which is easily forgotten. Roseville opted for the SSP because they have main business

CITY COUNCIL MEETING  
March 23, 1993

lines which are "fronted" with voice mail menus and did not want to have to worry should there be a system failure.

Proposal Number Three - Have No Maintenance Contract:

Certify a staff member to service the OCTEL system at a cost of approximately \$2,190 for training and expenses.

The equipment would be under no warranty so any equipment failure would be at full cost to the City (i.e., MID replacement \$2,200, high capacity disk drives \$20,000, ...).

There would be no response time priority for a no contract option.

Following a lengthy discussion among the City Council and staff, the City Council, on motion of Mayor Pennino, Snider second, approved service agreement proposal number one, Standard Service Program (SSP), with OCTEL by the following vote:

Ayes: Council Members - Sieglock, Snider and Pennino  
(Mayor)

Noes: Council Members - Davenport and Mann

Absent: Council Members - None

### **Vendors Contacted by Telephone for Proposals:**

1. GTE
2. NEC
3. 3-D Communications
4. OCTEL

Only one favorable response received from OCTEL

GTE and 3-D Communications were not interested in responding to Lodi from the Bay Area with a 4-hour response time.

NEC services OCTEL systems in conjunction with PBX switches. They do not service the type of switches which Lodi owns - Northern Telecommunications Meridian switches.

### **Proposal Number One - Standard Service Program (SSP):**

OCTEL will maintain the City of Lodi's voice processing system for \$9,900 (or **\$8,910** if a 4 year contract is signed which can be terminated without penalty) which would include the following on a Standard Service Program (SSP):

- o On-site service coverage from 8:00 a.m. - 6:00 p.m. weekdays
- o On-site response time of **4 hours** if on-site required
- o 24-hour problem reporting through OCTEL's Response Center
- o Factory spare parts bank
- o Labor and replacement parts
- o Remote diagnostics
- o Semi-annual performance checks
- o Software updates
- o "Preferred Customer Rate" for all billable services
- o Disaster Recovery Replacement Plan

In addition, the following incentives will be available to the City if a maintenance contract is signed with OCTEL prior to May 1, 1993:

- o No charge 1-day system manager refresher training class valued at \$750.00.
- o No charge site and security audit valued at \$500.00
- o New end-user training video at no charge

## Proposal Number Two - Customer Participation Program (CPP):

OCTEL will maintain the City of Lodi's voice processing system for \$6,930 (or \$6,237 if a 4 year contract is signed which can be terminated without penalty) which would include the following on a Customer Participation Program (CPP)\*:

- o On-site service coverage from 8:00 a.m. - 6:00 p.m. weekdays at \$125.00/hour with a two-hour minimum
- o On-site response time within **24 hours** of problem report
- o Twenty-four hour problem reporting through the Response Center
- o Factory spare parts bank
- o Replacement parts supplied at no charge
- o Remote diagnostics
- o Software updates
- o "Preferred Customer Rate" for all billable services
- o Disaster Recovery Replacement Plan

The above mentioned incentives are also available to the City if a contract is signed prior to May 1, 1993.

\*The CPP is designed for customers with OCTEL-certified technical personnel who desire to perform their own maintenance. The City of Lodi has a Program Manager who is not a certified technician. To become certified, a staff member would need to attend a week-long course at the OCTEL campus in Milpitas. Tuition is \$1,750 for the course. Accommodations and meals would total approximately \$440 for the week with a total expense of approximately \$2,190 to train someone on staff to be a certified technician. OCTEL also offers a "Troubleshooting" course for \$1,600.

The CPP for the first year would be \$6,237 for the contract plus approximately \$2,190 for training for an estimated **total cost of \$8,427**.

The CPP will be approximately \$483 less than the SSP, and the City will then have a certified technician on staff.

There are a few drawbacks to the CPP:

- o 24-hour response time should the City need OCTEL to service the system, not a 4-hour response time.
- o The CPP does not include labor as a no cost item, rather it is billable at \$125 per hour with a 2-hour minimum. 2 call-outs for on-site response would pay for the \$483 difference between the two programs.
- o OCTEL recommends that the candidate to become a certified technician have a strong computer background and be knowledgeable in the telephone system. City does not have such a candidate on staff.

**NOTES:**

The City of Roseville has the SPP and the City of Pleasanton has the CPP. The certified technician at Pleasanton stated that they have been very fortunate so far and have not encountered any system failures. The technician stated that the one week certification course was informative, however, unless you work on the systems all the time, it is information which is easily forgotten. **Roseville opted for the SPP because they have main business lines which are "fronted" with voice mail menus and did not want to have to worry should there be a system failure.**

**Proposal Number Three - Have No Maintenance Contract:**

Certify a staff member to service the OCTEL system at a cost of approximately \$2,190 for training and expenses.

The equipment would be under no warranty so any equipment failures would be at full cost to the City (i.e. MID replacement \$2,200, high capacity disk drives \$20,000, . . . )

There would be no response time priority for a no contract option.